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ACTION AF-00

INFO	LOG-00	NP-00	AID-00	CA-00	CIAE-00	INL-00	DODE-00
	PDI-00	DS-00	EAP-00	OIGO-00	FBIE-00	UTED-00	H-00
	TEDE-00	INR-00	LAB-01	M-00	NSAE-00	NIMA-00	GIWI-00
	SGAC-00	SSO-00	SS-00	EVR-00	SA-00	FMP-00	DSCC-00
	PRM-00	DRL-00	NFAT-00	SAS-00	SWCI-00	/001W	
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FM AMEMBASSY GABORONE
TO SECSTATE WASHDC 2536
INFO SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
AMEMBASSY BEIJING
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UNCLAS GABORONE 001444

SIPDIS

SENSITIVE

DEPT FOR AF/S (MUNCY), EAP/CM (CRANE), AF/RSA (NAY)

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [CH](#) [BC](#)

SUBJECT: CHINA WOOS BOTSWANA THROUGH EXCHANGE VISITS,
ASSISTANCE

REF: A. 04 GABORONE 1519

[1](#)B. GABORONE 934

[1](#)1. (SBU) SUMMARY: China uses exchanges, assistance and trade as three primary tools to strengthen its ties with Botswana. According to the Director for Asia and Africa Mr. Manyepedza Lesetedi in the MFA, nearly two-dozen GOB officials traveled to China this year to participate in short courses on topics ranging from horticulture to the media. He reported that an additional 30-odd Botswana Defense Force personnel would participate in similar trips this year. Low-interest loans from the Chinese Government support infrastructure development projects carried out by one of ten Chinese parastatals active in Botswana. Consumer goods account for the bulk of Chinese exports to Botswana. If direct marketing of diamonds becomes a reality, China's importance as a trade partner would quickly magnify. While the GOB is happy with the assistance provided by the PRC, Botswana generally take a dim view of the Chinese businesses here, which they perceive as creating few jobs and adding little to the national income. END SUMMARY

CHINA REACHES OUT THROUGH EXCHANGE VISITS

[1](#)2. (SBU) Over twenty government officials have traveled to China this year to participate in short courses or themed visits, Director of Asia and Africa Mr. Manyepedza Lesetedi told PolOffs on September 19. Invitees included the Ministers of Lands and Housing and Labor and Home Affairs and subjects addressed on these trips ranged from media to immigration to horticulture. Mr. Lesetedi judged these visits to China both productive and popular among government officials. University students, in contrast, frequently are not interested in studying in China and turn down opportunities to do so, preferring Australia, the UK or the US.

[1](#)3. (SBU) Although he was not able to comment in detail on military exchanges, Mr. Lesetedi estimated that some thirty Botswana Defense Force personnel would travel to China this year, including four expected to travel in the next two months.

[1](#)4. (U) China's hospitality has extended beyond government officials to include members of the ruling party. In May, the Botswana Democratic Party's Executive Secretary Batlang Serema, Youth Wing Chair Peter Meswele, and three party colleagues traveled to China at the invitation of the Chinese Communist Party to learn about its operations.

[1](#)5. (U) The following month, Botswana hosted an eight-person delegation from the Ethnic Affairs Committee of China's National People's Congress. Although the delegation head Fulin Kui said he hoped to learn from Botswana's management of ethnic differences, he described the purpose of the visit as deepening friendship between Botswana and China.

LOW-INTEREST LOANS SUPPORT INFRASTRUCTURE DEVELOPMENT

16. (SBU) As reported in Ref A, the PRC has extended low-interest loans to the Government of Botswana to support infrastructure development. One Chinese diplomat estimated to PolOff that this aid averaged BWP 200 million (approximately USD 42 million) per year. These moneys go toward contracts with one of ten Chinese-owned construction firms present in Botswana. These companies have significantly reduced project costs for the Government but also inspired resentment among local and South African companies who have lost contracts.

17. (SBU) The PRC has also established a relationship with the Ministry of Health through which a few Chinese doctors and other health professionals help staff the Princess Marina Hospital in Gaborone. Each team stays in Botswana for about one year and is replaced by other colleagues from China. The Chinese Commercial Officer informed EconOff that his Embassy also provides aid to fund training for doctors.

18. (U) At the Chinese National Day celebrations on September 28, Foreign Minister Merafhe praised China for

its provision of military training, USD 50,000 to help fight HIV/AIDS, and furniture for the MFA's headquarters.

POPULAR RESENTMENT TOWARD CHINESE TRADERS

19. (U) The Chinese Commercial Officer estimated that China exports roughly USD 50 million to Botswana each year and imports only USD 3 million. Chinese exports to Botswana consist largely of cheap consumer goods. The bulk of Chinese businesses in Botswana are small traders selling clothing and household items. As the Government of Botswana looks at directly marketing some portion of the diamonds produced within the country, mineral exports could provide one means of balancing Botswana's trade with China. To date, the Chinese have not invested in exploitation of natural resources in Botswana.

110. (U) Mr. Lesetedi echoed comments made to PolOff during a trip to Francistown, Botswana's second largest city (Ref B), that popular resentment toward Chinese businesspeople runs high. Contrary to local expectations, he said, Chinese businesses have created few jobs, most of which are entry level and pay poorly, and contribute little to expanding the national income. As reported in Ref B, the GOB is still deliberating the institution of restrictions on the issuance and transfer of trading licenses to prevent expatriates (primarily Chinese and South Asians) from dominating that market. According to Norman Molele, Deputy Director of the Botswana Confederation of Commerce, Industry and Manpower, the desire to avoid a sudden drop in demand for retail space has delayed a decision on this matter. One possible outcome is the placement of restrictions on the future issuance and transfer of trade licenses, grandfathering in those who already hold these permits.

COMMENT

11. (SBU) Despite the significant cultural distance separating Botswana from the Chinese, respect for their economic achievements and the PRC's intense efforts to build rapport through exchange visits is likely to positively color local attitudes toward China in the future. Direct export of diamonds to China would dramatically strengthen bilateral ties and increase Chinese influence in Botswana. Thus far, it appears that China is focused on accumulating political capital - other than a determined effort to persuade the GOB to oppose Japan's candidacy for the UN Security Council, it is not clear whether the PRC has sought any specific deliverables from its friendship with Botswana. Mission will continue expanding its contacts among Chinese officials and business people to monitor China's relationship with Botswana.

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